

107TH CONGRESS
1ST SESSION

S. 221

To authorize the Secretary of Energy to make loans through a revolving loan fund for States to construct electricity generation facilities for use in electricity supply emergencies.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2001

Mrs. BOXER introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To authorize the Secretary of Energy to make loans through a revolving loan fund for States to construct electricity generation facilities for use in electricity supply emergencies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Electricity Re-
5 serve Fund Act of 2001”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to assist States in creating
3 electric generating capacity to be used in the event of an
4 electricity emergency.

5 **SEC. 3. EMERGENCY ELECTRICITY GENERATION FACILI-**
6 **TIES.**

7 (a) REVOLVING LOAN FUND.—There is established
8 in the Treasury of the United States a revolving loan fund
9 to be known as the “State Electricity Reserve Loan Fund”
10 consisting of such amounts as may be appropriated or
11 credited to such Fund as provided in this section.

12 (b) EXPENDITURES FROM LOAN FUNDS.—

13 (1) IN GENERAL.—The Secretary of Energy,
14 under such rules and regulations as the Secretary
15 may prescribe, may make loans from the State Elec-
16 tricity Reserve Loan Fund, without further appro-
17 priation, to a State.

18 (2) PURPOSE.—Loans provided under this sec-
19 tion shall be used for the purpose of designing and
20 constructing 1 or more facilities in a State with ca-
21 pacity to generate an amount of electricity sufficient
22 to meet the amount of any intermittent deficiencies
23 in electricity supply that the State may reasonably
24 be expected to experience during any period over the
25 next 10 years.

1 (3) USE OF FUNDS.—A facility designed or con-
2 structed with a loan provided under this section—

3 (A) shall be owned by the State and oper-
4 ated by the State directly or through a contract
5 with an electric utility or a consortium of elec-
6 tric utilities; and

7 (B) shall be operated to supply electricity
8 to the electricity transmission grid only during
9 periods of electricity emergencies declared by
10 the Governor of the State.

11 (4) DETERMINATIONS BY SECRETARY.—No
12 loan shall be provided under this section unless the
13 Secretary determines that—

14 (A) there is reasonable assurance of repay-
15 ment of the loan; and

16 (B) the amount of the loan, together with
17 other funds provided by or available to the
18 State, is adequate to assure completion of the
19 facility or facilities for which the loan is made.

20 (5) LOAN AMOUNT.—The amount of a loan pro-
21 vided under this section shall not exceed the lesser
22 of—

23 (A) 40 percent of the costs to be incurred
24 in designing and constructing the facility or fa-
25 cilities involved; or

1 (B) \$1,000,000,000.

2 (c) LOAN REPAYMENTS.—

3 (1) LENGTH OF REPAYMENT.—

4 (A) IN GENERAL.—Before making a loan
5 under this section, the Secretary shall deter-
6 mine the period of time within which a State
7 must repay such loan.

8 (B) LIMITATION.—Except as provided in
9 subparagraph (C), the Secretary shall in no
10 case allow repayment of such loan—

11 (i) to begin later than the date that is
12 2 years after the date on which the loan is
13 made; and

14 (ii) to be completed later than the
15 date that is 10 years after the date on
16 which the loan is made.

17 (C) MORATORIUM.—The Secretary may
18 grant a temporary moratorium on the repay-
19 ment of a loan provided under this section if,
20 in the determination of the Secretary, continued
21 repayment of such loan would cause a financial
22 hardship on the State that received the loan.

23 (2) INTEREST.—The Secretary may not impose
24 or collect interest or other charges on a loan pro-
25 vided under this section.

1 (3) CREDIT TO LOAN FUND.—Repayment of
2 amounts loaned under this section shall be credited
3 to the State Electricity Reserve Loan Fund and
4 shall be available for the purposes for which the
5 fund is established.

6 (d) ADMINISTRATION EXPENSES.—The Secretary
7 may defray the expenses of administering the loans pro-
8 vided under this section.

9 (e) APPROPRIATIONS.—Out of any funds in the
10 Treasury not otherwise appropriated, there are appro-
11 priated to the State Electricity Reserve Loan Fund—

12 (1) \$5,000,000,000 in fiscal year 2002;

13 (2) \$4,000,000,000 in fiscal year 2003;

14 (3) \$3,000,000,000 in fiscal year 2004;

15 (4) \$2,000,000,000 in fiscal year 2005; and

16 (5) \$1,000,000,000 in fiscal year 2006.

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